

1. Planning Grant Application Form

Applicant: City of San Luis Obispo Community Development 919 Palm Street San Luis Obispo CA 93401		Proposed Completion Date: 10-31-2013	
		Amount Requested: \$ 880,000	
Lead Applicant's Name: City of San Luis Obispo Community Development Department, Long Range Planning Division.			
Title of Proposal: General Plan Land Use and Circulation Elements Update			
Applicant/Representative Contact authorized by Resolution Katie Lichtig City Manager (805) 781-7114 klichtig@slocity.org		Person with Day to Day Responsibility for Plan Kim Murry Deputy Director, Long Range Planning (805) 781-7274 kmurry@slocity.org	
Check all of the following that are applicable to the proposal:			
Focus Area		Program Objectives	
<input checked="" type="checkbox"/>	Focus Area # 1		Applying for 20% EDC set aside
	Focus Area # 2	<input checked="" type="checkbox"/>	Improve air and water quality
	Focus Area # 3	<input checked="" type="checkbox"/>	Promote Public Health
Eligibility Requirements		<input checked="" type="checkbox"/>	Promote Equity
<input checked="" type="checkbox"/>	Consistent with State Planning Priorities	<input checked="" type="checkbox"/>	Increase affordable housing
<input checked="" type="checkbox"/>	Reduces GHG emissions on a permanent basis	<input checked="" type="checkbox"/>	Increase infill and compact development
<input checked="" type="checkbox"/>	Collaboration Requirement	<input checked="" type="checkbox"/>	Revitalize urban and community centers
Priority Considerations		<input checked="" type="checkbox"/>	Protect natural resources and ag lands
<input checked="" type="checkbox"/>	Demonstrates collaboration and community involvement	<input checked="" type="checkbox"/>	Reduce auto usage and fuel consumption
<input checked="" type="checkbox"/>	Addresses Climate Change impacts	<input checked="" type="checkbox"/>	Improve infrastructure systems
<input checked="" type="checkbox"/>	Serves as best practices	<input checked="" type="checkbox"/>	Promote Water Conservation
<input checked="" type="checkbox"/>	Leverages additional resources	<input checked="" type="checkbox"/>	Promote energy efficiency and conservation
<input checked="" type="checkbox"/>	Serves as an economically disadvantaged community	<input checked="" type="checkbox"/>	Strengthen the economy
	Serves as a severely economically disadvantaged community		
I certify that the information contained in this application, including required attachments, is complete and accurate.			
Signature _____		Date: _____	
Printed Name and Title: Katie Lichtig, City Manager, City of San Luis Obispo			

2. Proposal Summary Statement

Project Need: Comprehensive updates to the San Luis Obispo City Land Use (LUE) and Circulation Elements were last completed in 1994. More recent updates to the Conservation and Open Space Element and Housing Element have introduced a series of concepts that need to be reflected in Land Use and Circulation policies. The City has been participating with the San Luis Obispo Council of Governments to help develop a “pre” Sustainable Communities Strategy and is in the process of developing a Climate Action Plan, both of which will likely call for changes in the way land use and circulation infrastructure decisions are made.

Two significant components of climate change legislation, AB 32 and SB 375, combined with new studies linking land use and health, further the need to update City LUE and Circulation policies. Key health indicators have been found to have links to land use and the physical form of a community. The City’s planning and land use decisions affect access to walking and biking trails, open space for recreation, healthy food choices, employment, affordable housing, transit and services. The land use and circulation elements need to be updated to incorporate these newer concepts and requirements.

How the Project achieves Local Sustainable Planning (Focus Area #1):

The 1994 General Plan includes policies that support efficient land use, decreased energy use, alternative transportation, neighborhood wellness, and a healthy city form. The intent of the update process is to respond explicitly to these goals, by finding ways to increase infill and by evaluating land use needs on a neighborhood basis. A greater focus on greenhouse gas emissions reductions, sustainability and community wellness will become the foundation for the update process.

As the basis for this process, the City intends to develop a comprehensive outreach effort with a community task force as a key component. Part of the outreach will include a web-interactive neighborhood mapping program. On a neighborhood level, the City can identify physical design issues to resolve constraints and reveal opportunities. The final product will develop policy recommendations that are based on improving neighborhood quality, safety, access to services and pedestrian/bicycle linkages as well as identifying appropriate areas for infill and densification. The preliminary program will include the following:

- Community input regarding the physical, social, economic, cultural and environmental character of the City in order to develop a vision of San Luis Obispo through 2030.
- A comprehensive guide for decision-making based on land use, design, access, sustainability and the preservation of the quality of life in the community.
- Policies that balance development and conservation to preserve the City’s natural beauty, unique character and heritage while supporting housing opportunities, a vibrant economy and addressing disadvantaged communities.
- Consistency with the *Regional Blueprint* and policies that guide development of a *Sustainable Communities Strategy* in collaboration with SLOCOG.
- Opportunities to create complete neighborhoods and develop programs to achieve them.
- Identify areas appropriate for residential infill and densification.
- Identify ways to achieve more affordable housing.
- Promote energy efficiency & conservation & incorporate Climate Action Plan strategies.
- Identify transit opportunities that may be enhanced to accommodate TOD.
- Identify ways to encourage transportation modes other than the single occupant vehicle.
- Identify healthy food locations and opportunities for pedestrian and bike access.

3. PROPOSAL DESCRIPTION

a. Threshold Requirements

1. Describe how the Proposal is consistent with the State's Planning Priorities, Section 65041.1 of the Government Code.

a. Promote infill development and invest in existing communities

The targeted update to the Land Use and Circulation Elements is intended to promote infill development to use existing infrastructure to maximize efficiency. When the Land Use and Circulation Elements were adopted in 1994, the City identified major expansion areas and required specific plans to be adopted for those areas. These elements identified an objective of placing more emphasis on alternative travel modes other than single occupant vehicle trips and creating a balance between transportation choices and land use. Many of the policies, programs, and projects identified in the 1994 elements have been implemented. In 2006, a Sphere of Influence Study was conducted by LAFCO which identified potential development areas outside of the City's Urban Reserve Line. Many of these areas are sensitive for a variety of reasons including steeper topography, agricultural uses and visual aesthetics. Infill development appears to be a more appropriate approach given the sphere areas' respective sensitivities and more recent legislation and planning practice.

b. Protect, preserve and enhance environmental and agricultural lands, and natural and recreational resources

In 2006, the City adopted a Conservation and Open Space Element (COSE) that consolidates and emphasizes key policies supporting smart growth principles of compact urban form; securing a greenbelt around the City; promoting energy conservation; supporting agricultural operations and open space resources; and protecting the area's natural resources. In addition, a Bicycle Master Plan was developed to lay out the bicycle infrastructure needed to connect various points of the community through trails, bikeways and bicycle boulevards in addition to including bike lanes on existing and proposed roads. The City's Short Range Transit Plan integrates the local City-run fixed route transit system with objectives of providing transit within the ¼ mile point of all residents. The existing policies in the COSE are still valid and reflect the community's values. The update process will build on these values by focusing the update on infill.

c. Encourage location and resource- efficient development

The General Plan policies and programs are implemented through development (setbacks from sensitive resources, avoidance of hillside development, affordable housing requirements, parks dedication requirements, etc.) and as part of the two-year budgeting process which allocates funds to open space acquisition, infrastructure improvements and other community needs. The General Plan implementation has resulted in planning and financing to support a vibrant community. The existing General Plan laid the framework that will now be used for a targeted update to the Land Use and Circulation Elements in order to take the next step towards sustainability and fully incorporating recent legislation requirements and objectives to respond to regional issues.

2. Describe how the Proposal will reduce, on as permanent a basis that is feasible, greenhouse gas emissions consistent with:

a. California's Global Warming Solutions Act of 2006

The City has taken a leadership role in greenhouse gas emission reductions. In 2009, the City conducted a baseline emissions inventory (using 2005 as a base year) in anticipation of developing a Climate Action Plan. In 2010, the City collaborated with California Polytechnic State University San Luis Obispo (Cal Poly), to develop a draft Climate Action plan to develop strategies to meet a 15% reduction in emissions by 2020 in compliance with AB 32. The City anticipates that the draft plan will begin the public hearing process by the end of 2010 and that key land use and circulation strategies will be incorporated into the targeted General Plan

update. The Draft Climate Action Plan (DCAP) contains many strategies, however several approaches relate directly to an update of the Land Use and Circulation Elements. These strategies will result in permanent reductions in regional greenhouse emissions by implementing more efficient land use patterns (i.e. mixed-use development); by maintaining a mix of transit, bike and pedestrian access choices; by increasing residential densities in appropriate areas of the City; and by looking at ways to achieve key services within ½ mile of neighborhoods. The City of San Luis Obispo has developed as a regional employment center for San Luis Obispo County. Providing more housing opportunities in the City, particularly through infill, can reduce emissions associated with commuter traffic.

While indicators may include things such as the number of houses built; linear feet of bike trails created; and zoning/density increases, an updated emissions inventory in future years will provide the ultimate method of documenting the combined impact of the strategies adopted.

b. Any Applicable Regional Plan

The City's General Plan is consistent with the smart planning principles embodied in the regional blueprint - Community 2050 - adopted by the San Luis Obispo Council of Governments (SLOCOG). In advance of adopted State Air Board emissions reductions standards, SLOCOG has been collaborating with the incorporated cities and the County to develop a precursor to the Sustainable Communities Strategy (SCS) required by SB 375. The targeted update of the Land Use and Circulation Elements proposes to incorporate strategies listed in both the blueprint and the pre-SCS to address the connection between land use and transportation in compliance with SB 375. This effort will be a principle example of local planning incorporating State, regional and local objectives into documents that can be used as examples for other communities. Some of these strategies may include establishing minimum residential densities; encouraging TODs; working with employers to provide TDM programs; reducing the reliance on parking space areas by unbundling parking for some residential developments; promoting higher density development in close proximity to transit corridors; promoting pedestrian scale communities; and providing a wide range of housing types and sizes to name a few (see Pages 37-44 for a list of strategies being recommended through the pre-SCS).

3. Meet the Collaboration Requirements of the focus area applicable to the Proposal

SLOCOG has provided a letter indicating that the proposed project (targeted update of the Land Use and Circulation Elements) is consistent with the region's plans (see page 33).

Step 3b: Program Objectives

Improve Air and Water Quality

The City's Conservation and Open Space Element has strong policies to support healthy air and water quality. Program 2.3.3 indicates that the City should implement public transit and bicycle and pedestrian oriented land use and design strategies in new development as well as striving to reduce the number of single-occupant vehicle trips in fossil-fueled vehicles. A targeted update to the Land Use and Circulation Elements will develop projects & programs to further implement these strategies.

The City has implemented best practices for water quality including a wastewater treatment facility that creates recycled water able to be used to irrigate public parks and landscaping for larger commercial developments. In addition, the recycled water created in excess of the demand is discharged back to the creek thereby recreating stream conditions that have supported a resurgence of the native steelhead trout population. The City co-sponsors a yearly

creek clean-up day where hundreds of volunteers remove debris and trash from creeks in the area prior to the rainy season. While overall water quality in native streams is relatively high there are discrete areas where pigeon droppings and homeless encampments have degraded quality. The City is working with state and local agencies to address both issues. An indicator of increased water quality can be found in the annual water reports.

The City has also just completed its first year with an approved Stormwater Management plan approved by the Regional Water Quality Control Board. The plan implements a wide variety of water quality strategies (i.e. pre- and post-construction activities, homeowner activities, restaurant and business operations, etc.) as well as provides an extensive outreach component to educate City residents and developers understand how even small actions impact water quality.

While the targeted general plan update will include and support improved air and water quality efforts, this grant application is not targeting these strategies as focused indicators of success.

Promote Public Health

Recent information is increasingly linking key health indicators such as obesity to land use and the physical form of a community. The City's planning and land use decisions can affect access to everyday physical activities such as walking and biking, availability of open space for recreation and close proximity of healthy food choices and other services to residential areas. Many of the same factors that lead to increased health of younger community citizens also support successful aging in place. The General Plan of the City of San Luis Obispo contains policies and programs throughout that support strategies to meet the basic needs of all residents; to maintain the City's unique sense of place; to foster sustainable development; to respect and protect the area's natural environment; to create a complete community that takes into account environmental, social and economic factors when making important decisions.

The proposed project to update the Land Use and Circulation Elements of the General Plan will build on these goals to more explicitly address public health issues. Many of the indicators of a healthy community are included and addressed in other sections of objectives (i.e. environmental considerations or affordable housing). Specifically for this objective, an especially important indicator for public health is early childhood obesity since this is a strong predictor of adulthood obesity. The San Luis Obispo County Mental Health Department: Maternal, Child and Adolescent Health Division conducted studies in 2006 and 2009 of pre-school age children. Almost 29% of children measured in 2006 were overweight or obese. This number increased to just over 37% of children in 2009. In addition, of the adults with diabetes in San Luis Obispo County, nearly half are overweight putting the County 57th out of 59 counties for the percent of overweight diabetic adults.

While the policies and programs in the City's Land Use and Circulation Elements may not be the key determinants of obesity in either children or adults, these programs can have an impact. Access to transit or encouraging healthy food choices within walking distance of neighborhoods can influence travel mode choice. If walking or biking is chosen over a car trip, health benefits will result. Access to bus service also can have a beneficial effect because riders will walk to their bus stop and resulting destination. The goal of the targeted general plan update is to find ways to encourage and support these behaviors through land use and circulation programs.

Traffic safety is also directly related to overall public health. The City currently implements an annual traffic safety program which identifies and prioritizes high collision locations for safety measures. In 2009 the City was honored with the Institute of Transportation Engineer's Public

Agency Achievement Award for this program, one of the highest international awards an agency can receive for its Transportation practices. One of the goals of the targeted general plan update is to expand upon and integrate these practices into land use and circulation policies and programs.

Promote Equity

Land Use and Circulation Element policies that accommodate all sectors of the community are likely to promote equity. The Land Use Element update will strive to promote equity through citizen collaboration in the formation of policies that provide access to housing, transit and services for all sectors of the community. As already addressed in the City's Housing Element update, LUE policies will need to support affordable, high quality, socially integrated and location-efficient housing that is designed for a variety of users.

A working group of community members will be developed as well as an internal staff team with a focus on including all sectors of the community, especially disadvantaged areas of the City. General and targeted public outreach (newsletters, media articles, web site, workshops, coffee talks, flyers, social media and surveys), meetings and hearings will be conducted to ensure community input is reflected in the Proposal. The process will take advantage of innovative technologies to the greatest extent financially feasible. The wide variety of options for participation will be designed to include the disadvantaged. A public participation plan will be developed utilizing the following:

- An interactive website containing current information on status of the project, downloadable documents and presentations, and a way to send information and input to appropriate staff. Site will include a moderated blog and options for an online survey.
- E-Updates: Develop an email list. Send regular updates to maintain interest and generate participation.
- Newsletter: Produce graphic-rich newsletter to provide information at key points.
- Media Outreach: Meet with media (newspaper) staff at beginning of process to develop contact and conduit for information exchange. Contact radio stations and prepare news releases on the process and key elements of the update.
- Stakeholder interviews
- Surveys: Prepare a survey instrument and distribute to the community.
- Community Workshops: Hold workshops at key points in the process to inform/educate and solicit feedback. Use breakout sessions, graphics, interactive sessions to get input.
- Presentations to Community interest groups: Schedule speaking engagements before community groups – Kiwanis, Rotary, Board of Realtors, Home Builders Assoc., AIA, schools, etc.
- Farmers' Market: Set up an information booth at Farmers' Markets and distribute newsletters, answer questions, get people involved.
- Bi-lingual outreach – Community Action Partnership, Housing Authority, schools and other sources for distribution.

Increase Housing Affordability

The City recently received certification from the Department of Housing and Community Development for its updated Housing Element (HE) in June 2010. As part of the HE update, the City demonstrated its ability to accommodate its Regional Housing Need Allocation (RHNA) of 1,589 dwellings by December 2014; developed programs to facilitate provision and financing of

affordable housing; and adopted policies and programs consistent with State housing objectives and legislation.

The HE update includes numerous programs and tools for implementation. While the current sites capacity evaluation proves the City can meet its RHNA over the next five years, the City is looking beyond this cycle to the future and foresees that subsequent RHNA assignments may require zoning changes to comply with minimum density requirements associated with site capacity evaluation. The Proposal involves a pro-active approach in this effort to evaluate where areas of higher density, infill or mixed use housing may be appropriate. Consequently, updates to the LUE will not only implement the current adopted policies but will go beyond to anticipate where future needs may be accommodated to increase the amount of affordable housing in the City.

SB 375 mandates coordination of the RHNA process with the regional transportation planning process. Specific affordable housing strategies of the Pre-SCS that would be implemented with the LUE update include: 1) Promote the rezoning of existing urban areas where resources and services are available to accommodate residential densities at least 15 units per acre or more to provide for low- and very-low income housing; and 2) Promote the development of new multi-family projects that include Transportation Demand Management measures, such as reduced parking for affordable, workforce, or senior housing projects.

The LUE update will also assist with implementation of AB 32 and the City's Draft Climate Action Plan (DCAP). Specific strategies of the DCAP that promote affordable housing include: 1) Reduce impact fees for secondary dwelling units and 2) Require projects that receive affordable housing funds from the City's in-lieu program to exceed current Title 24 energy efficiency standards.

The City has a Housing Programs Manager responsible for expanding affordable housing opportunities, implementing housing element policies and programs, and reporting to Council and the State on progress of achieving objectives. The Housing Programs Manager will be actively involved in the update process to ensure affordable housing goals are being addressed.

Revitalize Urban and Community Centers

The City of San Luis Obispo takes pride in its downtown planning area and has adopted goals, policies and programs that have helped to focus revitalization in this area. As noted in the LUE *"Downtown is the cultural, social and political center of the City for its residents, as well as a home for those who live in its historic neighborhoods."* Because the City wants its commercial core to continue to be healthy, the LUE and Circulation Element updates will build on this already vibrant component of the community. A focus on the appropriate mixture of housing, retail uses, restaurants and entertainment combined with access to transit and pedestrian linkages will be a key component of new policies that will be designed to guide the future of the downtown. The framework for these policies will focus on the following:

- Incentives that will continue to facilitate downtown housing
- Policies that incentivize adaptive re-use of historic buildings
- Flexible parking standards
- Options for providing higher residential densities
- Sustainable, accessible and affordable transportation options
- Circulation improvements that cater to pedestrian and bicycle access

Outside of the downtown planning area, the City has other areas ripe for urban revitalization, including the Broad Street Corridor and other outlying urban areas. Plans for these areas are already under way and new LUE and Circulation Element policies will be designed to respect the need for public improvements, land use strategies and a contemporary balance of housing and commercial uses that reduce vehicle miles traveled while attracting viable commercial land uses.

Promote Infill and Compact Development

A primary focus of the targeted General Plan update will be to develop strategies to promote infill and compact development. This effort will identify areas where there is a potential for increased development as well as address the walkability of neighborhoods and access to healthy foods, recreation, employment, services and transportation. The targeted update will develop a land use scenario that is consistent with the regional blueprint and Pre SCS as well as develop a circulation infrastructure plan to support it.

The City is preparing for the targeted update by developing an interactive neighborhood mapping project to identify neighborhood boundaries and proximity to business that serve residents' daily needs. The City's GIS staff will create a base map with physical features and barriers (natural and man-made). The staff will then create a web application to capture residents' input regarding the boundaries of their respective neighborhoods and perceived needs. Staff will then overlay these neighborhood boundaries with information regarding demographics and housing information from census data. GIS staff will add other layers such as locations of markets, healthcare providers, schools, transit routes and bus stops, and ¼ and ½ mile buffers will be delineated. This effort will identify whether neighborhoods are well-served or whether there appears to be a lack of specific services in the area.

The update will build on this information by reviewing the housing sites inventory from the Certified Housing Element to determine where residential development capacity currently exists. In addition, constraints information (such as natural features to be protected or noise impacts to be avoided) will be updated and mapped to identify areas where densification and infill is appropriate and where existing conditions may constrain those opportunities.

The City has also prepared for this targeted update by upgrading its traffic modeling capabilities. A recent upgrade to the City's traffic modeling program was conducted and paid for by City funds to better perform multi-modal modeling as well as provide more accurate modeling capabilities. The traffic model will be used to evaluate land use scenarios and alternatives as well as to identify where circulation improvements and programs will be needed. The Circulation element will need to identify multi-modal goals so that traffic funds are prioritized to achieve greater percentages of bike, pedestrian, and transit trips. This grant proposes to have City staff assist with traffic modeling done by consultant services to take advantage of the already developed model and to reduce project costs.

A key piece of the targeted update process will be the involvement of a community task force team that will provide input. Task force team members will include stakeholders such as representatives from SLOCOG, Residents for Quality Neighborhoods, Cal Poly, Housing providers, Sierra Club, Air Pollution Control District, Land Conservancy, Rideshare organizations, Native Americans, County Planning, Chamber of Commerce, Caltrans, San Luis Coastal Unified Schools, County Health, appropriate City staff (i.e. the Natural Resources Manager, Housing Programs Manager, Fire Marshall, Utilities Managers, etc.), City Advisory Bodies and the San Luis Obispo County Bicycle Coalition.

Protect Natural Resources and Agricultural Lands

San Luis Obispo's desirability as a place to live, visit and do business is closely tied to its scenic character, environmental quality and surrounding open space and agricultural lands. It is traversed by hillsides and creeks and surrounded by mountains, farmlands and oak woodlands. The City's greenbelt and easement-secured open space are tools for preserving habitat, protecting air and water quality, protecting view sheds and defining its urbanized boundaries.

The targeted update will directly assist natural resources and agricultural land protection goals implemented through SB 375 and the SLOCOG PSCS by advancing the following strategies: 1) Promote the direction of most new residential development away from rural areas and concentrate it in higher density residential locations; 2) Support the location of new mixed use projects, community and neighborhood commercial centers near major activity nodes and transportation corridors; 3) Encourage new office development and concentration of residential uses near major transportation facilities and corridors; and 4) Support new development in the mixed-use and medium- and high-density land use categories located within ¼-mile of a transit node, existing bus route, or park and ride facility with regularly scheduled, daily service at a minimum density of 20 dwelling units per acre.

The LUE update will also address these goals through implementation of strategies included in the City's Draft Climate Action Plan (DCAP). The LUE update will be consistent with the California Wildlife Action Plan because existing policies in the LUE and COSE protect natural communities and biological resources consistent with the requirements for listed species by the U.S. Fish and Wildlife Service, California Department of Fish and Game, California Native Plant Society and species of local concern. The City does not have an established Natural Community Conservation Plan for its area, however existing general plan policies and programs identify habitats of concern and enforce avoidance of these habitats through development conditions of approval (i.e. through creek setbacks or preservation of other habitats). Mineral extraction within City limits is strictly prohibited, and therefore, is consistent with the Surface Mining and Reclamation Act.

The City has a Natural Resources Manager who is responsible for the protection of open space and agricultural lands in and around the City. He has been successful in securing through dedication, easement or gift approximately 5,500 acres of land in the City's greenbelt since the last LUE/Circulation Element update. The City has contributed approximately \$4.16 million in funding toward the acquisitions, along with approximately \$8.51 million received from outside agencies, \$1.7 million in donations, and \$1.2 million in easements from other sources. This position is tasked with implementing Conservation and Open Space policies and programs that encourage natural resource and agricultural land protection. The Natural Resources Manager will be actively involved in the targeted General Plan update process to ensure conservation and open space policies and programs are effectively implemented to achieve desired results.

Reduce Automobile Usage and Fuel Consumption

Inherent in the targeted update of the General Plan focus on infill and densification is the desired outcome for reduction in automobile usage and fuel consumption. While the current General Plan contains policies and programs related to reduction in energy use and a greater focus on travel modes other than single occupant vehicles, the focus of this targeted update will be on the type of development patterns that result in those outcomes. The goal is to identify areas appropriate for greater housing density in closer proximity to employment and services as well as evaluate connectivity of existing housing areas to services and employment. Included in the targeted update will be programs for complete streets, separate bike and pedestrian

linkages, complete neighborhoods, user-friendly transit, and a focus on health-related benefits. This effort will be consistent with existing local, regional and statewide policies. The idea of complete neighborhoods also strives to address the California Transportation Plan observation that the number of non-work trips now exceeds the number of home-to-work trips. Much of this is attributable to the physical layout of many cities that require one to drive everywhere; not just to work, but also for services, school, groceries, etc.

The effort's consistency with the regional blueprint is also consistent with the state-wide efforts to integrate regional blueprint planning with Caltrans goals for a multi-modal transportation system that is efficient and effective. The City too wants to address the community's future mobility needs in a fully integrated, balanced system that is safe and sustainable for all travel modes. Developing a land use scenario that promotes infill and the circulation system to support it will be the key to a successful targeted update.

Improve Infrastructure Systems

The proposed update will evaluate the status of local infrastructure systems needed to support the City's future circulation needs as well as implementation of the Climate Action Plan, and an updated Land Use Element. Any improvements identified will be intended to improve access, connectivity, and services with an emphasis on reducing vehicle miles traveled and linking people to services. Implementation of a complete transit, pedestrian and bike system that is essential to neighborhood connectivity and to the reduction of GHG emissions is a component of the proposed update and will further the efforts already underway as a component of the City's *Bicycle Transportation Plan*. The City is working with the County and regional agencies in developing class 1 and 2 bike paths from the City to Cal Poly University and from the City to Avila Beach and to many points in between. These key components of infrastructure will become essential to incorporate into the General Plan update in order to continue implementing this important community goal.

Promote Water Conservation

The City is the sole water purveyor within the city limits. This allows the City to maintain uniformity of water service and distribution standards, and to be consistent in developing and implementing water policy. The City recently completed a comprehensive update to its Water and Wastewater Element (WWE) in July of 2010. The updated WWE addresses the provision of water and wastewater services to support the LUE's development capacity. The purpose for the WWE update was to reflect current water supply conditions, incorporate a reliability reserve, reflect the community's reduced per-capita usage (a reflection of on-going conservation programs), and revise policies to strengthen reliable water service to the community.

The targeted General Plan update will build on existing programs to assist water conservation goals and to include appropriate strategies identified in the draft CAP. Strategies under consideration include expanding the recycled water program; creating incentives to replace lawns with water efficient landscaping; encouraging development of graywater systems for houses as well as promoting rainwater harvesting and other water-saving strategies.

The targeted General Plan update will be consistent with the San Luis Region Integrated Regional Water Management Plan (IRWMP) because General Plan goals and policies promote IRWMP goals and objectives of water quality and supply, ecosystem preservation and restoration, groundwater monitoring and management and flood control. In addition, consideration of all statewide priorities, including water consumption reduction of 20 percent by 2020, was integral to

the development of the IRWMP's mission, goals, objectives, and project strategies. The targeted update will directly assist the State achieve its water conservation goals because the WWE requires implementation of water-efficient programs that comply with State-mandated water use reductions and the updated Land Use and Circulation Elements will be consistent with these programs.

Promote Energy Efficiency and Conservation

The Conservation and Open Space Element was adopted in April of 2006. This update significantly expanded energy efficiency and conservation efforts by adding new programs to enhance conservation of energy and materials as well as promote green/sustainable building technology. The LUE and Circulation elements update will build on this foundation.

The LUE and Circulation element update will directly assist implementation of SB 375 and the SLOCOG PSCS by advancing the following energy efficiency and conservation strategies: 1) Reduce travel times and trips by encouraging local jurisdictions to provide a wide range of housing types and sizes; 2) Support the incorporation of design features and infrastructure in new projects that enable access by transit, bicycling, and walking; and 3) Support the implementation of programs and projects that enhance multimodal transportation choices, limit automobile-oriented development and promote pedestrian scale communities.

The LUE update will also assist with implementation of AB 32 through the City's Draft CAP which contains specific strategies to address energy efficiency and conservation.

Strengthen the Economy

The City's 2009-2011 Financial Plan identifies economic development as a major City goal. The objective of this goal is to develop strategies to increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses. The targeted General Plan update will further this major City goal by addressing components of the action plan, such as: 1) Business retention and expansion, including workforce availability and quality, regulatory constraints, access to capital, and environmental sustainability; and 2) Collaborative economic development efforts on environmental issues, including promoting environmentally sustainable jobs and identifying ways to make it easier for residents and businesses to adopt sustainable practices.

The targeted update will directly assist economic development goals implemented through SB 375 and the SLOCOG PSCS by advancing the following strategies: 1) Support the establishment of minimum residential densities on appropriate sites in urban areas where resources are available; 2) Seek change in the fiscal relationship and tax distribution mechanisms between the State and local agencies to provide adequate funding that will support good land use and development practices; and 3) Work with local jurisdictions and Caltrans to implement a Scenic Byway and Scenic Highway designation for state routes where applicable.

The City has an Economic Development Manager tasked with implementing economic development policies and programs that improve the economic strength of the City through business development, retention and expansion, job creation and the promotion of tourism. The Economic Development Manager will be actively involved in the targeted General Plan update process to ensure economic development policies and programs are effectively implemented.

3c. Priority Considerations

1. Proposal demonstrates ongoing collaboration with state, regional and local stakeholders and community:

- a. The attached work plan (Item #4a and b) and Budget indicates tasks and responsibilities.
- b. The targeted update of the Land Use and Circulation Elements will involve the community, region and state in the process. In addition to a task force comprised of community members and local stakeholders (i.e. Chamber of Commerce, Residents for Quality Neighborhoods) regional and state representatives (i.e. SLOCOG, APCD and Caltrans), environmental groups (ECOSLO and Sierra Club), health agencies (County Public Health Department, School District), and low income households (i.e. Housing Authority of San Luis Obispo, Community Action Partnership) an extensive public outreach plan will be part of the update process. The grant funding of the update process will allow the City to engage a consultant team with special expertise in public involvement and outreach.
- c. In addition to the task force input, surveys, workshops, on-line resources, and possibly charrettes or visual preference surveys will be used to help the community and the stakeholder groups envision the future and the development scenarios that achieve the desired outcomes.

2. Proposal demonstrates strategies or outcomes that can serve as best practices for communities across the state.

- a. The targeted update of the Land Use and Circulation Elements will include tools and processes that will be available on a special site on the City's web that will be created for this project. The neighborhood mapping project will be available and detailed on the site as well as the draft Climate Action Plan and links to other resources such as the draft Preliminary Sustainable Communities Strategy, the regional blueprint and other regional and state resources.
- b. Regular updates will be posted and emailed to interested parties. Social media may be used to engage various segments of the population. Staff will explore use of a community "web-ex" to engage the community in real time. Staff will collaborate with the local newspaper to do a topical series on progress of the update process at key points. The City will collaborate with SLOCOG to allow use of the City's traffic model where needed. Any other tools that may be available and described by the consultant will be used and shared.

3. Proposal is leveraged with additional resources, in-kind or funds. See budget for details.

- a. Preparations for the targeted update to the Land Use and Circulation Elements have already begun and various steps completed. Earlier in 2010 the City completed an update to its travel demand model which now includes multimodal forecasting capabilities such as the ability to model the City's transit system. In addition, the City completed a Major Investment Study for the Highway 1 Corridor which includes City wide forecasts for various regional growth scenarios identified by the Council of Governments. The cost for both these projects totaled \$570,000, \$250,000 of which was funded from City General Funds and \$320,000 of which was funded State Highway Account (SHA) funds. A draft plan for a key infill area is in process: The Broad Street Corridor Plan received \$110,000 in state Community-based Transportation Grant funds as well as \$42,000 in City General funds for traffic analysis and staff in-kind services.

- b. The City GIS staff has also begun work on the interactive neighborhood identification project. Community Development and GIS staff will complete the bulk of that project in advance of the grant award and it will serve as part of the background data to inform the process. In addition, \$30,000 in ARRA Stimulus grant funds and approximately 8 months of staff time have been devoted to development of a draft Climate Action Plan. The DCAP has developed strategies that will inform the Land Use and Circulation Elements update process.
- c. Future contributions by the City will involve staff time to provide the environmental review and guide the update process; volunteer and paid intern hours to verify land use data where required; in-house assistance for travel demand modeling of various land use assumptions, and some City funding for legal notices and filing fees. The source of City-funded activities will be from the General Fund.

4. Proposal Addresses Climate Change Impacts

- a. The City's draft Climate Action Plan identifies ways to reduce greenhouse gas emissions in compliance with AB 32. The City was also fortunate to participate in a Local Government Commission effort (funded through the Kresge Foundation) to develop climate adaptation information and strategies specific to San Luis Obispo County. The LGC is in the process of finalizing their report, and strategies that were developed through stakeholder and topic expert input and the public process will be available for inclusion as part of the targeted update. Examples of county-specific information include details of sea level rise; vegetation changes that may occur given climate change; identifying populations sensitive to extreme weather conditions or populations with limited ability to respond to climate-related emergencies (i.e. floods or wildfires); and relating the uncertainty of experiences of flood and wildfire events.
- b. The targeted update will look at areas that are suitable for infill and increased density. The evaluation of those areas will address their constraints to development including the potential for exposure to wildland fire or floods (if proximate to a creek) in the event climate changes result in more extreme weather-related events. Circulation element policies and programs will have to include strategies for mobility in the event of extreme events for existing and proposed modalities.

5. Economically disadvantaged community

Information from the 2008 American Community Survey (ACS) indicates the median household income for the City of San Luis Obispo is \$40,579. The median household income for the state of California is listed at \$61,154. Therefore at 66% of the state's median household income, the City of San Luis Obispo qualifies as a disadvantaged community. The ACS does not evaluate income levels at the block level, however information in the 2000 Census show areas of the City where households with less than 80% and 60% of the median household income are located (See page). The City will address this community through the Proposal by:

- a. The targeted update of the Land Use and Circulation Elements will provide opportunities for the community to envision the future of the City's form and function. With the expressed goal to increase affordable housing opportunities in close proximity to services and regional employment, the targeted update to the General Plan will provide housing for local workers which will benefit the community.
- b. The City will request that the public outreach component of the process include techniques to reach the more economically disadvantaged members of the community. This may include targeted outreach in Spanish. Outreach will include efforts to get input

from lower wage employees such as college students, hotel workers, restaurant workers, retail clerks and other service sector employees. Since transportation and housing costs can be a large component of a household budget, improvements that increase affordability and connectivity between jobs and housing will benefit the City's disadvantaged communities.

3d. Organizational Capacity

1. What is your organization's experience in completing this type of Proposal or similar Proposals? Is the expertise needed for the successful development of the Proposal available within the organization? If not, how do you plan to acquire it?

The City of San Luis Obispo has received grants in the past and is well-equipped to administer grant funds (CDBG; Workforce Housing Grant; Safe Routes to School; Caltrans Planning Grant) as well as manage consultants. In addition, City staff has experience in leading planning efforts such as specific plan creation (Orcutt Area Specific Plan; Margarita Area Specific Plan; Airport Area Specific Plan) General Plan Element adoption and updates; Environmental Review; and Traffic analysis and reporting.

2. Do you have active partners that will help develop the Proposal? How?

In addition to a collaborative effort by staff from various City Departments, the City has several partners that will help develop the Proposal. The City participates in a quarterly collaboration of the County and all of the incorporated cities lead by the Air Pollution Control District in an effort to address regional air quality and climate change issues. In addition, the City of San Luis Obispo has been actively participating in SLOCOG's efforts to develop the Pre-SCS and will continue to engage in that effort. SLOCOG is very interested in helping the City coordinate its efforts with SLOCOG's efforts.

3. How will the Proposal be kept on schedule and within budget?

The City staff is practiced in working with consultants and with internal project plans to develop and monitor milestones and deliverables. The contract with the successful consultant will indicate that failure to meet project schedules could result in financial penalties. All City staff involved in the Proposal will help finalize the project schedule and it will be reflected in their objectives for the upcoming years.

4. If the Proposal goes over budget, explain your contingency plan to cover the cost.

Every effort will be made to ensure that costs are kept within budgeted amounts. If for some unforeseen reason, the Proposal goes over budget, staff will consider options for in-kind performance of some tasks; will work with the Strategic Growth Council to amend the Proposal scope; or will look to augment with City General Funds, if available.

5. Identify in the work plan how the proposal will be implemented, including zoning updates if applicable.

The work plan is attached and includes as an end product, an updated Draft General Plan Land Use and Circulation Elements. Zoning updates may follow (depending on outcome of the General Plan updates) and programs will be developed to implement updated policies of the General Plan.